

February 15, 2018

To all parties concerned

Company Name: Hitachi Kokusai Electric Inc.
Representative: Kaichiro Sakuma, Chief Executive Officer
(Securities Code 6756, First Section of the
Tokyo Stock Exchange)
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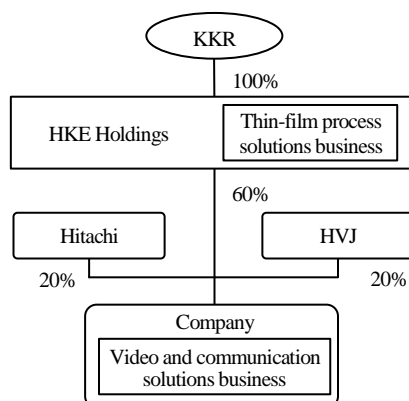
Announcement of the Management Structure after Delisting

～ New Structure to be Launched in June 2018 ～

As described in the press release issued today, titled “Announcement of the Shareholder Approval of the Share Consolidation and a Partial Amendment to the Articles of Incorporation,” the shares of Hitachi Kokusai Electric Inc. (the “Company,” and its shares, the “Company Shares”) are scheduled to be delisted on March 9, 2018 in connection with the implementation of Agenda Item 1 “Share Consolidation” (the “Share Consolidation”) which was approved and passed at the extraordinary general meeting of shareholders held today. We hereby announce the outlook of the future reorganization of the Company after delisting as follows.

1. Outlook After Delisting

The Company will acquire all of the Company Shares held by Hitachi, Ltd. (“Hitachi”) (the “Share Repurchase”) subject to the Share Consolidation taking effect, and after the Company becomes a wholly-owned subsidiary of HKE Holdings K.K. (“HKE Holdings”) through the Share Repurchase on May 31, 2018, the Company will divest its thin-film process solutions business through an absorption-type company split whereby HKE Holdings will be the succeeding corporation (the “Company Split”) on June 1, 2018. Subsequently, HKE Holdings will transfer 20% of the Company Shares to each of Hitachi and HVJ Holdings Inc. (“HVJ”), an entity invested in by a fund managed, operated, provided with information or otherwise maintained by Japan Industrial Partners, Inc. on June 4, 2018. Upon the completion of the transfer, HKE Holdings, Hitachi and HVJ will hold 60%, 20% and the remaining 20%, respectively, of the Company Shares. The capital relationship after the above transactions will be as indicated in the following diagram.



2. Status After the Company Split (Scheduled)

The status of the Company and the new company after the Company Split will be as follows.

(1) Company

As of the date of this announcement, the Company, which will engage only in the video and communications solutions business, does not plan to change its company name, address, or the representative after the Company Split.

(2) New company engaging in the thin-film process solutions business

According to HKE Holdings, the company name, address, and the title and the name of the representative of HKE Holdings after the Company Split, which will engage in the thin-film process solutions business, are scheduled to change as follows on June 1, 2018, the same day as the effective date of the Company Split, subject to the successful completion of the necessary procedures such as the execution of an agreement concerning the Company Split.

New Company Name	K.K. KOKUSAI ELECTRIC (English Name: Kokusai Electric Corporation)
New Address	3-4, Kandakaji-cho, Chiyoda-ku, Tokyo
Title and Name of the New Representative	Fumiyuki Kanai, Representative Director and the Chief Executive Officer

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